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March 31, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**RE: Application of Duke Energy Carolinas, LLC for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order
Docket No. 2018-319-E**

Dear Ms. Boyd:

Pursuant to Commission Order No. 2019-323 in the *Application of Duke Energy Carolinas, LLC for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order*, Duke Energy Carolinas, LLC (“DEC” or “Company”) hereby requests the Public Service Commission of South Carolina (“Commission”) approve DEC’s updated Excess Deferred Income Tax (“EDIT”) Rider to be effective June 1, 2020.

In the Company’s most recent rate case, the Commission ordered that the Company implement flow back of excess deferred income taxes to customers through an EDIT rider, as follows:

- a. For Federal EDIT protected under Internal Revenue Service (“IRS”) normalization rules, in accordance with those rules;
- b. For Federal EDIT not protected by normalization rules, but related to property, plant and equipment, over a 20-year period;
- c. For Federal EDIT not protected by normalization rules, but not related to property, plant and equipment, over a five-year period;
- d. For deferred revenue, net of deferred balances related to the Distributed Energy Resource Program (“DERP”), over a five-year period; and
- e. For North Carolina EDIT, over a five-year period.¹

¹ Order No. 2019-323, Paragraph 38, p. 34-35.

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For Year 1, the annual revenue requirement for the EDIT rider was a decrement of approximately \$61,814,000. For Year 2, DEC has calculated an annual revenue decrement of approximately \$67,838,000.

For the Commission's review, the Company is providing the following attachments in support of this request:

Exhibit 1: Excess Deferred Income Tax Rider (EDIT) Revenue Requirement – Year 2, in the same form as originally provided in the Company's most recent rate case.

Exhibit 2: True Up for Actual Sales Volume June 2019 – December 2019

Exhibit 3: Derivation of Excess Deferred Income Tax Rider EDIT Rates – Year 2

Exhibit 4: Redline and clean versions of the revised tariffs.

The Company requests the revised EDIT Rider to be effective as of June 1, 2020.

The Company has provided the EDIT Rider calculations to the Office of Regulatory Staff for review in compliance with the Commission's Order and has included the ORS and all parties on this filing.

Sincerely,



Heather Shirley Smith

Attachments

C: Parties of Record (via email)